



DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
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IN REPLY
REFER TO

AQOD

JAN 15 1997

MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS

SUBJECT: DCMC Memorandum No. 96-80, DCMC Contract Administration
Services (CAS) Mission (POLICY)

This is a POLICY memorandum. It expires when its contents are included in DLAD 5000.4, Contract Management, or after one year. Target Audience: All DCMC employees.

This policy memorandum supersedes DLAD 5000.4, part II, chapter 4 (June 95) and DCMC Policy Letter No. 95-8 (August 25, 1995). Those documents indicated that the Commander, DCMC is the only one authorized to reject requests for CAS. My position on accepting contracts at *contractor facilities* is that, with few exceptions, I still reserve the right to refuse all such requests personally. However, I have decided that local Commanders, with the concurrence of the District Commander, may decline to accept certain assignments where our assumption of CAS would not add value to our customers (attachment 1). Administering contracts that do not require either the specialized skills/knowledge that DCMC professionals possess or the rigorous level of CAS that we perform would not be cost effective.

Basically, DCMC's policy is to perform the normal contract administration functions listed in FAR 42.302 (a) and, if delegated by the contracting office, the functions listed in FAR 42.302 (b). This policy applies to work performed for both DoD and non-DoD organizations. While we prefer full delegations (i.e., responsibility for all the listed CAS functions), we will normally accept partial delegations at the request of the contracting offices. Nonetheless, we should not normally accept a delegation for contract closeout if DCMC was not given full administration of the contract. DCMC Policy Letter No. 96-03, dated March 20, 1996, describes specific procedures to be followed when providing CAS to civilian agencies.

Early Contract Administration Services is an area where we can offer valuable assistance to program offices and buying activities before contract award. When providing source selection support and participating in other precontractual actions, we should ensure that our efforts will (1) contribute to more effective or efficient accomplishment of a traditional CAS activity through teaming (e.g., integrated product team pricing, an improved way for negotiating sole source buys) and/or (2) provide



DCMC's unique insight to the customer's precontractual acquisition processes (e.g., acquisition planning, request for proposal development, performance risk/past performance assessments of the contractor's systems and processes during source selection, etc.). Still, we must be careful not to do the procuring contracting officer's work; we can offer specific advice relating to the contents of a solicitation, but we should not just be preparing the solicitation.

The policy I outlined in DCMC Memorandum No. 96-27, dated July 17, 1996, relative to performing CAS on *military installations*, remains in effect. I expect contract administration offices (CAOs) to routinely accept assignments to perform CAS on military installations for such efforts as administration of contracts that are unrelated to the basic mission of the installation, or when a contractor's industrial operation is located on a military base because of the availability of real estate. Nevertheless, each request for CAS must be carefully examined to ensure that the contract actually does require the types of abilities possessed by our workforce, and that such expertise is unavailable at the installation. Usually, base service contracts for laundry services, mess attendants, mortuary services, and grounds maintenance do not require the specialized skills that DCMC professionals possess. If such skills are not required for administration of the contract, local Commanders should continue to request concurrence from District Commanders prior to turning down the delegation.

Requests for CAS should never be turned down because of local DCMC resource shortfalls. All such requests that would impose a significant resource impact on the CAO should be elevated through the District Commander to the DCMC Resource Utilization Council. When a request for CAS is refused, the customer should be provided with an explanation that DCMC's skills would not be utilized well in administration of the contract. It is impossible to foresee all of those situations where it would be inadvisable for DCMC to perform CAS. When in doubt, call me.

Per my previous direction, the policy outlined in this memorandum does not include requests for DCMC CAS in a *contingency environment*. All such requests should be accepted.



ROBERT W. DREWES
Major General, USAF
Commander

Attachment

Delegations Not Normally Accepted by DCMC

- Local Commanders, with Concurrence of District Commander, May Decline to Accept -

1. Contract closeout where DCMC was not given full administration of the contract.
2. Administration of commercial off-the-shelf hardware items, except when a clause requiring administration under FAR 42.302(a) is included in the contract (e.g., commercial item financing; on-site quality assurance requirements).
3. Administration of commercial stand-alone software items, except when a clause requiring administration under FAR 42.302(a) is included in the contract (e.g., commercial item financing; on-site quality assurance requirements).
4. Overhaul & Repair of commercial off-the-shelf items, except when a clause requiring administration under FAR 42.302(a) is included in the contract (e.g., commercial item financing; on-site quality assurance requirements).
5. ADP support that does not require the types of skills possessed by DCMC (e.g., LAN administration).
6. Construction (except as related to contingency operations).
7. CAS on military installations that does not require the types of skills possessed by DCMC (e.g., laundry services, mess attendants, mortuary services, grounds maintenance).
8. Early CAS activities that do not (1) contribute to more effective or efficient accomplishment of a traditional CAS activity through teaming (e.g., IPT Pricing, an improved way for negotiating sole source buys) and/or (2) provide DCMC's unique insight to the customer's pre-contractual acquisition processes (e.g., acquisition planning, RFP development, performance risk/past performance assessments of the contractor's systems and processes during source selection, etc.) -- we should not do the PCO's work; we can offer specific advice relating to the contents of a solicitation, but we should not just be preparing the solicitation.
9. Designation of a Government Flight Representative where the Ground Flight Risk Clause is not included in the contract.